

Jeffrey W. Dulberg (CA Bar No. 181200)  
John W. Lucas (CA Bar No. 271038)  
PACHULSKI STANG ZIEHL & JONES LLP  
10100 Santa Monica Blvd., 13<sup>th</sup> Floor  
Los Angeles, California 90067-4003  
Telephone: 310-277-6910  
Facsimile: 310-201-0760  
Email: jdulberg@pszjlaw.com  
jlucas@pszjlaw.com

Counsel to Bradley D. Sharp, Chapter 11 Trustee

**FILED & ENTERED**

**JAN 24 2024**

CLERK U.S. BANKRUPTCY COURT  
Central District of California  
BY may DEPUTY CLERK

**UNITED STATES BANKRUPTCY COURT**  
**CENTRAL DISTRICT OF CALIFORNIA**  
**LOS ANGELES DIVISION**

In re

LESLIE KLEIN,

Debtor.

Case No. 2:23-bk-10990-SK

Chapter 11

**ORDER GRANTING MOTION AND  
AUTHORIZING (1) SALE OF REAL  
PROPERTY COMMONLY KNOWN AS  
161 NORTH POINSETTIA PLACE, LOS  
ANGELES, CALIFORNIA 90036, FREE  
AND CLEAR OF ALL LIENS, CLAIMS  
AND ENCUMBRANCES PURSUANT TO  
11 U.S.C. §§ 363(b) AND (f); AND (2)  
PAYMENT OF REAL ESTATE  
BROKERS' COMMISSION AND SALE  
RELATED EXPENSES**

[161 North Poinsettia Place, Los Angeles, CA]

Date: January 24, 2024

Time: 9:00 a.m.

Crtrm.: 1575

Judge: Hon. Sandra R. Klein

A hearing was held on January 24, 2024, at 9:00 a.m., before the Honorable Sandra R. Klein, United States Bankruptcy Judge for the Central District of California, in Courtroom 1575 located at 255 East Temple Street, Los Angeles, California, on the *Motion For Order Authorizing (1) Sale of Real Property Commonly Known as 161 North Poinsettia Place, Los Angeles, California,, Free and Clear of All Liens, Claims and Encumbrances Pursuant to 11 U.S.C. §§ 363(b) and (f); And (2) Payment of Real Estate Brokers' Commission and Sale Related Expenses*

1 [Docket No. 537] (the “Motion”)<sup>1</sup>, filed by Bradley D. Sharp, the duly appointed, authorized and  
2 acting chapter 11 trustee (the “Trustee”) in the above-captioned bankruptcy case. Appearances  
3 were made as noted on the record.

4 The Court, having read and considered the Motion and all papers filed in support thereof,  
5 as well as the conditional opposition filed by Ajax Mortgage Loan Trust 2021-D, Mortgage-  
6 Backed Securities, Series 2021-D, by U.S. Bank National Association, as Indenture Trustee, its  
7 successors and/or assignees [Docket No. 571] and the Trustee’s reply thereto [Docket No. 584],  
8 and, having found that the Accepted Counter-Offer of Louis and Barbara Katz (the “Buyer”) is the  
9 “highest and best” offer received with respect to the proposed sale, and that the Buyer is entitled to  
10 “good faith” protection in accordance with 11 U.S.C. §363(m), and having found that the holders  
11 of any and all liens, claims and encumbrances to be sold “free and clear” of will be paid in full  
12 from the proceeds of the sale or have consented to the proposed sale, and with good cause shown,

13 IT IS HEREBY ORDERED:

- 14 1. The Motion is **GRANTED**.
- 15 2. The Trustee is authorized to sell pursuant to 11 U.S.C. §363(b) the real property  
16 commonly known as 161 North Poinsettia Place, Los Angeles, California and assigned APN:  
17 5512-017-005, legally described as Lot 52 in Tract No. 7372 in the City of Los Angeles, County  
18 of Los Angeles, State of California, as per Map recorded in Book 107, Pages 81 to 83 inclusive of  
19 Maps, in the Office of the County Recorder of said County (the “Poinsettia Property”), as further  
20 set forth herein.
- 21 3. The Accepted Counter-Offer from Buyer in the amount of \$1,850,000.00 is  
22 approved. The Accepted Counter-Offer is the “highest and best” offer the Trustee has received for  
23 the Poinsettia Property.
- 24 4. The Buyer is deemed a “good faith purchaser” pursuant to 11 U.S.C. § 363(m).
- 25 5. The Poinsettia Property shall be sold “as is,” “where is,” “with all faults,” and  
26 without warranty or recourse, pursuant to 11 U.S.C. §363(b).

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28 <sup>1</sup> Capitalized terms not defined herein shall have the same meaning ascribed to them in the Motion.

6. The Poinsettia Property shall be sold free and clear of the following liens, claims, encumbrances or other interests, pursuant to 11 U.S.C. §363(f)(2), as the holders of such liens, claims, encumbrances or other interests shall be paid from the proceeds of the sale or have consented to the sale and the recordation of this order with the Los Angeles County Recorder shall constitute a discharge, termination, and cancellation as to the Poinsettia Property of all such liens, claims, encumbrances, or other interests, without the need for their reconveyance or release:

a. A deed of trust, recorded on June 8, 2016, as Instrument No. 20160657370 in the Los Angeles County Recorder's Office, in favor of Lone Oak Fund, LLC, a California limited liability company (the "First Trust Deed");

b. A deed of trust, recorded on July 30, 2018, as Instrument No. 20180758110 in the Los Angeles County Recorder's Office, in favor of Mortgage Electronic Registration Systems, Inc., as nominee for OCMBC, Inc. (the "Second Trust Deed"); and

c. An amended abstract of judgment in favor of Joseph Vago, et al., against the Debtor that was recorded in Los Angeles County on January 12, 2023, as instrument no. 20230026369 (the "Vago Abstract").<sup>2</sup>

The Trustee shall pay through escrow: (a) all undisputed amounts owed on the First Trust Deed<sup>3</sup> and the Second Trust Deed<sup>4</sup>; (b) all outstanding real property taxes due and owing to the Los Angeles County Treasurer - Tax Collector upon closing of the Sale; and (c) broker commissions and expenses (including as specifically described in the Motion), escrow fees, title insurance premiums and other ordinary and typical closing costs and expenses payable by a seller.

7. Any liens, claims or encumbrances on the Poinsettia Property not otherwise paid off (e.g. the Vago Abstract) shall have the same validity, priority, and scope with respect to the

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<sup>2</sup> Upon closing of the sale of the Poinsettia Property, the release of the Vago Abstract shall be recorded by the escrow company with the Los Angeles County Recorder's Office.

<sup>3</sup> The First Trust Deed has submitted a "Paid in Full" letter and has confirmed that there are no amounts owing as it was paid in full as of July 30, 2018.


<sup>4</sup> The Second Trust Deed is currently held by Ajax Mortgage Loan Trust 2021-D, Mortgage-Backed Securities, Series 2021-D, by U.S. Bank National Association, as Indenture Trustee ("Ajax"). Ajax or its agents shall be allowed to submit a payoff demand to escrow prior to close for the amounts owing on the obligation. The Trustee does not dispute the payoff amount previously provided to the Trustee in the amount of \$1,512,764.42, good through February 7, 2024. The Trustee will request an updated payoff demand should the sale close after said good through date and reserves all rights to dispute any amounts above said payoff amount.

1 sale proceeds as such liens, claims or encumbrances had against the Poinsettia Property as of the  
2 petition date, subject to any and all of the Trustee's rights to object to, dispute, or subordinate such  
3 liens, claims or encumbrances.

4 8. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be effective and  
5 enforceable immediately upon entry, its provisions shall be self-executing, and the Trustee is  
6 authorized to proceed with the sale. The Motion or notice of Motion shall be deemed to provide  
7 sufficient notice of the Trustee's request for waiver of the otherwise applicable stay of the Order.

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23 Date: January 24, 2024

  
Sandra R. Klein  
United States Bankruptcy Judge